

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUDGE KENNELLY
MAGISTRATE JUDGE HARJANI

UNITED STATES OF AMERICA

v.

NUSRAT H. CHOUDHRY,
also known as "Nusrat Choudhri"

)
) No. **19CR 639**
)
) Violations: Title 26, United States
) Code, Sections 7206(1) and 7206(2);
) Title 18, United States Code Section
) 1512(c)(1)

FILED

AUG 08 2019

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

COUNT ONE

The SPECIAL JULY 2018 GRAND JURY charges:

1. At times material to this indictment:

a. Since at least 2013, defendant NUSRAT H. CHOUDHRY has held an ownership interest in multiple gas stations located in the Chicago area, including gas stations at the following addresses: 2074 East Sibley, Calumet City, Illinois ("Calumet City Gas and Food, Inc." and "NRS Gas & Food, Inc."); 7059 South State Street, Chicago, Illinois ("Yale Gas & Food, Inc."); and 150 West 63rd Street, Chicago, Illinois ("Englewood Gas and Food, Inc.") (collectively, the "Choudhry Gas Stations").

b. From at least 2013 to August 2017, NUSRAT H. CHOUDHRY hired individuals to operate the Choudhry Gas Stations (the "Gas Station Operators"). NUSRAT H. CHOUDHRY instructed the Gas Station Operators to report on a monthly basis regarding the profits and losses of the Choudhry Gas Stations.

c. NUSRAT H. CHOUDHRY instructed the Gas Station Operators to make monthly cash payments to NUSRAT H. CHOUDHRY based on the profitability of the gas station. NUSRAT H. CHOUDHRY instructed the Gas Station Operators to deliver the monthly cash payment to another gas station owned by NUSRAT H. CHOUDHRY at 251 West 63rd Street, Chicago, Illinois.

d. NUSRAT H. CHOUDHRY instructed the Gas Station Operators to maintain ledgers and record the monthly cash payments as "office expenses." NUSRAT H. CHOUDHRY instructed the Gas Station Operators to record these payments in the ledger as smaller amounts spread over several days to conceal the nature of the monthly lump sum payments.

e. Between at least 2013 and 2017, NUSRAT H. CHOUDHRY retained the services of an accountant to prepare his Form 1040 individual federal income tax return and the Form 1120 federal corporate income tax returns for the Choudhry Gas Stations.

f. Each year, NUSRAT H. CHOUDHRY delivered records and information to the accountant for the purpose of preparing the annual Form 1040 United States Individual Income Tax Return. Each year, defendant provided records and information to the accountant regarding his income from various sources, but concealed from the accountant the monthly cash payments defendant had received from the Choudhry Gas Stations.

g. Based upon the false and incomplete information that defendant provided to his accountant, the accountant prepared and filed Form 1040 United States Individual Income Tax Returns for defendant that substantially understated the defendant's income by hundreds of thousands of dollars each year.

h. Each year, NUSRAT H. CHOUDHRY delivered records and information to the accountant for the purpose of preparing the annual Form 1120 United States Corporation Income Tax Returns for the Choudhry Gas Stations. Each year, defendant provided records and information to the accountant regarding the income received by the Choudhry Gas Stations, but concealed from the accountant the income received by the Choudhry Gas Stations that was paid out in monthly cash payments to the defendant.

i. Based upon the false and incomplete information that defendant provided to his accountant, the accountant prepared and filed Form 1120 United States Corporation Income Tax Returns for the Choudhry Gas Stations that substantially understated the corporations' income each year.

2. On or about September 3, 2013, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2012, which return was verified by

a written declaration that it was made under penalties of perjury, and filed with the Internal Revenue Service, which return defendant did not believe to be true and correct as to every material matter, in that the return falsely stated on Line 22 that the total income was \$180,387, when, as defendant knew at the time was false, in that the amount of total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about April 10, 2014, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the tax year 2013, which return was verified by a written declaration that it was made under penalties of perjury, and filed with the Internal Revenue Service, which return defendant did not believe to be true and correct as to every material matter, in that the return falsely stated on Line 22 that the total income was \$141,924, when, as defendant knew at the time, was false, in that the amount of total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT THREE

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about June 25, 2014, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Calumet City Gas & Food, Inc., for the calendar year 2013. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$434,391 and falsely stated on Line 28 that the total taxable income was \$10,317, when defendant knew that the amount of income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT FOUR

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about February 20, 2014, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Yale Gas & Food, Inc., for the calendar year 2013. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$401,903, and falsely stated on Line 28 that the total taxable income was \$3,073, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT FIVE

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about April 15, 2015, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2014, which return was verified by a written declaration that it was made under penalties of perjury, and filed with the Internal Revenue Service, which return defendant did not believe to be true and correct as to every material matter, in that the return falsely stated on Line 22 that the total income was \$170,104, when, as defendant knew at the time, was false, in that the amount of total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT SIX

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about March 11, 2015, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Calumet City Gas & Food, Inc., Inc., for the calendar year 2014. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$428,254, and falsely stated on Line 28 that the total taxable income was \$5,680, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT SEVEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about February 25, 2015, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Yale Gas & Food, Inc., for the calendar year 2014. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$400,236, and falsely stated on Line 28 that the total taxable income was \$10,783, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT EIGHT

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about March 4, 2016, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2015, which return was verified by a written declaration that it was made under penalties of perjury, and filed with the Internal Revenue Service, which return defendant did not believe to be true and correct as to every material matter, in that the return falsely stated on Line 22 that the total income was \$278,632, when, as defendant knew at the time, was false, in that the amount of total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT NINE

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about June 22, 2016, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Calumet City Gas & Food, Inc., for the calendar year 2015. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$323,880, and falsely stated on Line 28 that the total taxable income was \$1,778, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT TEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about February 27, 2016, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Yale Gas & Food, Inc., for the calendar year 2015. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$381,419, and falsely stated on Line 28 that the total taxable income was \$15,530, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT ELEVEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about April 18, 2017, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2016, which return was verified by a written declaration that it was made under penalties of perjury, and filed with the Internal Revenue Service, which return defendant did not believe to be true and correct as to every material matter, in that the return falsely stated on Line 22 that the total income was \$211,914, when, as defendant knew at the time, was false, in that the amount of total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWELVE

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about June 6, 2017, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of NRS Gas & Food, Inc., for the calendar year 2016. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$449,271, and falsely stated on Line 28 that the total taxable income was -\$5,383, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT THIRTEEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about February 16, 2017, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a United States Corporation Income Tax Return (Form 1120 with schedules and attachments), of Yale Gas & Food, Inc., for the calendar year 2016. The return was false and fraudulent as to a material matter in that the return falsely stated on Line 11 that the total income was \$360,834, and falsely stated on Line 28 that the total taxable income was \$10,830, when, as defendant knew at the time, was false, in that the amount of total income and total taxable income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(2).

COUNT FOURTEEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. At times material to the indictment:
 - a. Paragraph 1 of Count One is incorporated here.
 - b. No later than June 2017, NUSRAT H. CHOUDHRY became aware of a federal investigation into the Choudhry Gas Stations, including questioning of Gas Station Operator A and others by agents from the Internal Revenue Service.
 - c. In or about June 2017, NUSRAT H. CHOUDHRY went to Yale Gas & Food, Inc. and instructed Gas Station Operator A to destroy financial ledgers Gas Station Operator A had created for Yale Gas & Food, Inc, which contained records of cash payments made by Gas Station Operator A to NUSRAT H. CHOUDRY. When Gas Station Operator A did not immediately do as directed, NUSRAT H. CHOUDHRY destroyed, mutilated and concealed the ledgers created for Yale Gas & Food, Inc., including by physically ripping the ledgers, discarding the ledgers and removing certain of the ledgers from Yale Gas & Food, Inc.
 - d. In or about June 2017, NUSRAT H. CHOUDHRY approached Gas Station Operator A and told Gas Station Operator A that if agents from the Internal Revenue Service came to talk to Gas Station Operator A, Gas Station Operator A should falsely tell the agents that the cash payments made to NUSRAT

H. CHOUDHRY were for rent, or alternatively that the cash payments were for property tax and maintenance.

e. In or about June 2017, NUSRAT H. CHOUDHRY went to NRS Gas and Food, Inc. and told Gas Station Operator B to destroy financial ledgers Gas Station Operator B had created for NRS Gas and Food, Inc., which contained records of cash payments made by Gas Station Operator B to NUSRAT H. CHOUDHRY. NUSRAT H. CHOUDHRY also instructed Gas Station Operator B to falsely deny making cash payments to NUSRAT H. CHOUDHRY if asked by agents from the Internal Revenue Service.

2. In or about June 2017, in the Northern District of Illinois, Eastern Division,

NUSRAT H. CHOUDHRY,

defendant herein, did corruptly alter, destroy, mutilate and conceal one or more records, documents, and other objects, namely, financial ledgers maintained and stored at Yale Gas & Food, Inc., and attempted to do so, with the intent to impair its

integrity and availability for use in an official proceeding, namely federal grand jury investigation 17 GJ 70 in the Northern District of Illinois,

In violation of Title 18, United States Code, Section 1512(c)(1) and 2.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY